

## Hobbies

# Coin market expected to bounce back after 'crash of '90'

By Roger Boye

**I**nvestors may confront a volatile rare-coin market this year in the wake of what some experts are calling the "market crash of '90."

Prices paid for coins in the "mint state-65" condition category fell 27.2 percent in the six months ended Nov. 30, while the coin market in general slumped 6.5 percent in that period, according to the "Trends Index" compiled by Coin World. The MS-65 index had spiraled higher during most of 1989 and the first half of 1990.

"Sharply dropping values of type coins [and] commemorative gold and silver coins, among others, have been responsible for the steep decline," wrote Keith M. Zaner, Trends editor. Zaner—whose index tracks nearly 17,000 coin values—blamed the bear market on general economic conditions and the "cautious approach of investors and Wall Street funds towards rare coins," among other things.

Especially hard hit have been rarities that were authenticated,

graded and encased in hard plastic "slabs" by companies such as the Professional Coin Grading Service of Newport Beach, Calif. During 1988 and 1989, such keepsakes were the rage of the market, often trading on a sight-unseen basis at ever-increasing prices. Some investors paid seemingly large amounts for relatively common "mint state" coins—often called "generics"—merely because they were in plastic slabs.

Last October, the rare coin market "fell out of bed, especially generic, certified coins," wrote long-time coin dealer Burton S. Blumert in Numismatic News. "Dealers could not sustain their bids as sell orders flooded in."

The soft market also has hurt the companies that—for a fee—grade and slab coins. PCGS—the country's largest—evaluated 25,032 coins in November, compared with 78,192 in November 1989, according to a PCGS spokesperson.

Some experts say that lower gold and silver prices and the crisis in the Middle East have con-

tributed to the sour rare-coin market. Ironically, the price of silver, which recently went below \$4 an ounce, could foster a business upturn at some coin shops as investors buy more silver bars and coins, thinking the metal's value has hit bottom. In early 1980, silver sold for more than \$30 an ounce.



Want to double or triple your money in the rare-coin market?

Try tossing some quarters into a slot machine instead, where your odds probably would be better, advises Chicago author and broadcast journalist Donn Pearlman in his latest book, "Best Buys in Rare Coins" (Bonus Books, \$8.95).

Pearlman asked at least 200 hobby pros to recommend the purchase of specific coins for their beauty, importance or value potential. The suggestions, which Pearlman neatly summarizes, range from coins of ancient Greece and Rome to buffalo nickels and Morgan silver dollars.

"These are coins that have built a following over the years, coins

that have become popular for their own sake, not just because a few 'market makers' are trying to manipulate prices for a few months to attract investors," Pearlman wrote.

He also includes background tidbits on the most recommended items and hints for effective coin buying. The book is sold in some stores or can be ordered by calling, toll-free, (1-800) 225-3775.